(iii) The Visakhapatnam Municipal Corporation has prepared a scheme for supply of 1 MGD of water. The nodal agency has sunk 4 bore wells out of which one has already been energised.

(iv) The State Electricity Board has begun erection of 33/11 K.V. Sub-Station, which is scheduled for completion by the end of October, 1991.

PERFORMANCE OF NATIONALISED BANKS

*283. SHRI VIJAY NAVAL PATIL : Will the Minister of FINANCE be pleased to state :

(a) whether the ratio of net profit to total working funds of the nationalised banks has been showing declining trend during the last five years in comparison to the performance of foreign banks in India;

(b) if so, the reasons therefor; and

(c) the steps taken or proposed to be taken by the Government to improve efficiency and profitability of the nationalised banks ?

THE MINISTER OF STATE OF THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) As per information available for the period 1986 to March 1990, the ratios of net profit to working funds for nationalised banks were lower than those of foreign banks operating in India.

(b) The better performance of foreign banks operating in the country in terms of profitability may be attributed, among other things, to their concentration in metropolitan and port towns, mechanisation and computerisation of operations, lower priority sector lending and high level of non-fund business.

(c) Government and Reserve Bank of India have taken a number of steps for improving the performance and profitability of the public sector banks including nationalised banks. The measures are aimed at strengthening of the capital base, rationalisation of service charges and interest rates structure and containment of staff growth. For reinforcing financial viability, the banks have been advised to ensure better credit management, raise productivity and effect economy wherever possible. To provide the competitive edge to banks, new money market instruments like certificates of deposits and commercial papers have been introduced and interest rates on term deposits have been enhanced. Banks have also been permitted to diversify their activities.

OPENING OF MORE BRANCHES BY FOREIGN BANKS

*284. SHRI VIJAY KUMAR YADAV: SHRI MADAN LAL KHURANA:

Will the Minister of FINANCE be pleased to state :

(a) whether foreign banks have recently sought permission to open more branches in the country;

(b) whether the Government have given permission for the same; and

(c) if so, the details in this regard with reasons therefor ?

THE MINISTER OF STATE OF THE MINISTRY OF FINANCE (SHRI DALBIR SINGH) : (a) Yes, Sir.

(b) and (c) The statutory powers in terms of the Banking Regulation Act, 1949 for issue of licence for carrying on banking business in India vest with Reserve Bank of India (RBI). No licence for a branch has been issued by Reserve Bank of India to any foreign bank in 1990 and 1991 (todate).

IMF LOAN

*285. SHRI INDRAJIT GUPTA : Will the Minister of FINANCE be pleased to state :

(a) whether an IMF delegation visited Delhi to have talks with the Government regarding proposed IMF loan to India; and

(b) if so, the details and outcome thereof ?

THE MINISTER OF STATE OF THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR) : (a) and (b) An IMF Staff team is currently in India for Article IV Consultations, which are held on a regular basis with member-countries, as well as for discussion on possibilities of a further utilisation of IMF resources.

[Translation]

COOPERATIVE COTTON YARN MILLS IN MADHYA PRADESH

1358. SHRI SUSHIL CHANDRA VARMA : Will the Minister of TEXTILES be pleased to state :

(a) the number of cooperative cotton yarn mills in Madhya Pradesh;

(b) whether these mills are able to meet the requirements of handloom and powerloom industry;

(c) whether there is any proposal to set up new cotton yarn mill in cooperative sector; and

(d) if so, the number of new mills likely to be set up during the Eighth Five Year Plan ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI ASHOK GEHLOT): (a) Two Mills.

(b) Apart from these two mills, there are 1030 mills engaged in spinning activity in the country which are producing hank yarn and con yarn. Therefore requirement is being met of powerloom sector as well as of handloom sector through the production of all these mills put together.

(c) and (d) There is no proposal for setting up any new cotton yarn mill in the cooperative sector during the eighth five year plan. Now for such Mills licenses are not required as per new Industrial Policy.

[English]

RECONSTRUCTION OF BRIDGE ON NATIONAL HIGHWAY NO. 43 NEAR SALUR

1359. SHRI K. PRADHANI : Will the Minister of SURFACE TRANSPORT be pleased to state :

(a) whether the Union Government are aware that the river bridge near Salur on National Highway No. 43 between Koraput and Visakhapatnam has been washed away by floods;

(b) if so, whether it is proposed to reconstruct the bridge early to avoid inconvenience to the public;

(c) if so, when; and

(d) if not, the reasons therefor ?

THE MINISTER OF STATE OF THE MINISTRY OF SURFACE TRANSPORT (SHRI JAGDISH TYTLER) : (a) Yes, Sir. This damaged bridge is located on the Unsuitable Link of NH 43 passing through Salur Town.

(b) to (d) As the collapsed bridge is situated on an Unsuitable NH Link, the State Government is responsible for its reconstruction.

CONTRACTS WITH FOREIGN COMPANIES

1360. SHRI PHOOL CHAND VERMA: Will the Minister of FINANCE be pleased to state :

(a) whether the Government propose to honour the international contracts signed with foreign companies who have invested in India; and

(b) if not, under what circumstances the contracts will be altered?

THE MINISTER OF STATE OF THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR) : (a) and (b) Agreements for foreign collaboration, including foreign investment, are between Indian companies and the foreign companies investing in India. These agreements are governed by Indian Laws. Proposals for alteration are also considered on merits subject to the prevailing laws/ guidelines.

PRICE OF NATURAL RUBBER

1361. SHRI P. C. THOMAS : Will the Minister of COMMERCE be pleased to state :

(a) whether there has been a decline in the price of natural rubber;